

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
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that can be done by a representative, an authorized representative, of the LLC. Before you had to have the actual member or manager to do those sorts of things. And finally, there's also a provision in here that the member shall be liable for any unpaid taxes of a member-managed LLC, only to the extent that a corporate officer would be liable. What these are...they're fairly technical, but what it really does is make and treat the LLC a lot like we would a corporate because the IRS rules and regulations have allowed us to be more flexible. We want to keep that limited liability for business owners and for small businesses. The LLCs have been very successful. With the new rulings of the IRS, and there's another ruling out dealing with the proportionate...the apportioning of self-employed income, LLCs are going to even be more attractive to us. I think 631 does not make major policy changes, but certainly makes the LLCs easier to deal with. I'd be happy to answer any questions. And Senator Withem, that would constitute my closing, I would yield back my time.

SPEAKER WITHEM: Thanks, Senator Kristensen. We're discussing the motion to advance LB 631. Senator Will.

SENATOR WILL: Yes. Senator Kristensen, a quick question.

SPEAKER WITHEM: Senator Kristensen, will you respond to a quick question?

SENATOR KRISTENSEN: Sure.

SENATOR WILL: Is the main advantage of an LLC the flow through tax treatment of income?

SENATOR KRISTENSEN: Right.

SENATOR WILL: And how does it differ from a limited liability partnership?

SENATOR KRISTENSEN: Well, a limited liability partnership is also different other than that deals in the partnership area, and the partnership interests are different than a corporate interest. It's kind of like, what's the difference between a general partnership and a corporation? In terms of the